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AT DEADLINE

Ruling's impact eased

European companies will not have to pay an estimated $80 billion in retroactive pension benefits arising from the controversial Barber suit. A new political agreement reached at the recent EC summit in Maastricht, dealing with the May 1990 European court decision says men and women should receive equal pension treatment, but not on a retroactive basis.

Funds reveal hirings

The $13.4 billion **Oregon Public Employes Retirement System** hired Acadian Asset Management, Baring International Investment, Marvin & Palmer Associates and DSI International to manage $42 million each in global equity accounts, and Genesis Investment Management to manage $30 million in an emerging markets account.

Matuschka Group, which managed $85 million, was terminated.

The $60 million **Rhode Island Carpenters Pension Fund**, Warwick, hired Bear Stearns Asset Management to manage a balanced account of between $10 million and $15 million. The money will come from assets that were managed by Equitable, which continues as a manager for the fund.

Provident National Bank has been named master custodian for the **Pennsylvania State Employes' Retirement System**, **Public School Employes' Retirement System** and **Municipal Employes Retirement System.**

Provident National will subcontract with Mellon Bank for domestic securities lending and with State Street Bank & Trust,

Continued on page 29

INSIDE

DAVID LUBARSKY

CIOs look to future

Christina Seix of MacKay-Shields and four of her peers offered their views on the economic outlook for 1992 at *Pensions & Investments'* annual investment management roundtable discussion. Page 3.

JOE WILSSENS

GM may increase contributions to its pension plans, but has cut them in its defined contribution plans.

Job losses clobber funds

Some sell stocks to raise cash for lump-sum payments

By Margaret Price, Hillary Durgin and Curtis Vosti

Massive job reductions — exemplified by General Motors Corp.'s planned elimination of 74,000 jobs — are eroding cash reserves of the pension funds of affected companies, causing some to liquidate stock to pay pension benefits and others to begin to invest more conservatively.

For GM and many other companies, the likely result of this downsizing is "corporations increasing contributions to the pension plan," to make up for assets used to pay benefits, said W. Gordon Binns Jr., GM's chief investment funds officer.

GM, which doesn't allow retirees to take lump sums, has enough cash to pay benefits, Mr. Binns said.

"Instead, the effect of the increasing number of retirees will come through in the actuarially experienced losses and gains of the plans," he said.

Although GM won't disclose specifics of its early retirement incentives until early next year, the company has announced it will cut in half — to 25% for the first 6% of salary — its contribution to its savings plan, which makes up the lion's share of its $6.6 billion in defined contribution assets. Also, GM will make no U.S. profit-sharing contributions this year.

Meanwhile, U S WEST Inc., Southwestern Bell Corp. and Unisys Corp. had to liquidate pension assets to meet lump-sum distribution requests connected with early retirement and layoff programs. And Grumman Corp.'s pension fund is taking a more conservative investment approach — as well as booking an $86 million additional pension expense in 1990 — because of downsizing.

U S WEST, Englewood, Colo., had to liquidate $300 million in stock because more employees than expected took advantage of an early retirement program. Two-thirds of the 6,000 eligible employees elected early retirement; 3,000 took lump-sum distributions of their accrued pension benefits.

James Biundo, executive director, trust investment management at U S WEST, said the company's

See **Layoffs** *on page 31*

Maxwell empire probe widens

Labor Department joins investigations

By Anne Schwimmer

WASHINGTON — The Department of Labor has joined the U.S. investigation of the pension funds of Maxwell Communication Corp.'s U.S. affiliates, hoping to assure itself the more than $300 million in assets is safe.

The Labor Department is joining the Pension Benefit Guaranty Corp.'s wide-ranging investigation, spurred by the recent filings for protection under bankruptcy laws by U.S.-based Maxwell companies and discoveries that about $760 million of assets vanished from pension funds of U.K.-based Maxwell companies.

Shock waves from the collapse of the empire of the late Robert Maxwell continue to affect the U.S. pension industry.

- The PBGC disclosed last week the Maxwell organization filed for termination of five New York Daily News pension plans in October. At first glance, a PBGC spokeswoman said, the plans appear to have no assets, no liabilities and no participants.
- The collapse of the Maxwell empire might prove to have broader implications for the international capital markets. Two congressmen have asked the General Accounting Office to expand a GAO study of Rule 144A, which allows foreign issuers to privately sell securities to qualified institutional investors, to include "the Maxwell debacle."
- London & Bishopsgate International Inc., New York, which manages $500 million of U.S. pension assets, is attempting to separate itself from the Maxwell empire and has renamed itself Strategic Global Investments Ltd.

(See related story, page 31).

See **Maxwell** *on page 31*

Companies pressured to disclose liabilities

By Hillary Durgin

WASHINGTON — Corporations are under pressure from the SEC to disclose their post-retirement health care liabilities as soon as they have estimates.

Although the pressure could be unintentional, new guidance from the Securities and Exchange Commission will force many companies to disclose their liabilities in fourth-quarter and year-end 1991 reports.

While a number of companies already have disclosed substantial liabilities for retiree health benefits — American Telephone & Telegraph Co., General Motors Corp., Ford Motor Co. and Chrysler Corp., for example — many were planning to report the information in 1993 when a new accounting rule, FAS 106, will go into effect.

The SEC's position was revealed in an addendum to the minutes of a November meeting of a task force of the Financial Accounting Standards Board, Stamford, Conn.

Consultants said implicit in the SEC guidance is a no-nonsense message that the commission will not tolerate delay by companies or an excuse of being unable to provide hard numbers because of uncertainties arising from plan changes they might implement.

"We all see it as a clear reinforcement by the SEC that if you're a publicly traded company and this, FAS 106, is going to be material to you . . . then you are required to disclose," said Donald McKinnon, managing director at William M. Mercer Inc., Stamford. "This year, 1991, what we're all anticipating is that all publicly traded companies that have a material issue are going to be faced with putting numbers in their disclosure,' he said.

The SEC addendum clarifies a key issue that some companies were using as an excuse not to report their liability.

"Employers were thinking that if (they) had a plan design change (they) didn't have to disclose early," said Frank McArdle, manager of Hewitt Associates' Washington office. "The SEC thing clarifies that you do."

The guidance attached to the minutes explicitly states if a company is contemplating plan design changes and those changes are "probable," the company should estimate its liability based on the plan in place when FAS 106 is adopted. If changes are probable but not yet quantified, the company should estimate the liability based on the current plan and note separately the effect of po-

See **Liabilities** *on page 30*

NEWS DIGEST

AP WIDE WORLD PHOTOS

Democratic presidential hopeful Bill Clinton is leading a charge against excessive executive compensation — a theme likely to be popular this election year. Page 28.

FINANCING

Despite the plunge in interest rates, corporations have not been jumping into the short-term debt markets. In fact, commercial paper issuance is down as much as 25%, dealers report. Page 4.

INTERNATIONAL

The U.S. Labor Department joins the widening probe into the crumbling Maxwell empire. Page 1.

Some corporations and institutional investors still see alluring long-term investment opportunities in the Soviet Union despite major changes in the country's political structure. Page 2.

REAL ESTATE

Shake-ups are under way at three major pension real estate consulting firms following surprise announcements by key consulting figures: Paul Saylor, Stephen Roulac and Randall Zisler. Page 2.

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Scoreboard survey deadline near

Questionnaires for *Pensions & Investments'* annual survey of the growth of money managers have been mailed. The completed forms, to be used for a special report published Feb. 3, must be returned by Dec. 31. If you have not received a questionnaire, or if you have any questions, contact Christine Philip, directory coordinator, at (312) 649-5217.

Consultants head for exits

Real estate figures Saylor, Roulac, Zisler leaving firms

By Steve Hemmerick

Shake-ups are under way at three major pension real estate consulting firms following surprise announcements that key consultants Paul Saylor, Stephen Roulac and Randall Zisler are leaving.

Mr. Saylor, co-founder and half-owner of Institutional Property Consultants, said he is "discussing" leaving IPC, but sources say the decision already has been made. IPC advises pension clients holding more than $200 billion in assets and $23 billion in real estate investments.

Mr. Roulac, citing "differing priorities" and "lack of compatibility," said he plans to leave The Roulac Group, a division of Deloitte & Touche, Wilton, Conn.

Mr. Zisler, a specialist in real estate quantification strategies who co-founded the Frank Russell Co. subsidiary Russell-Zisler Inc., Princeton, N.J., in 1988, said Russell-Zisler has "folded" and he is joining Pension Consulting Alliance, opening a branch office for PCA in Princeton.

Mr. Saylor said he likely will reach a decision "shortly," and he sharply denied speculation there is friction between him and co-founder Barbara Cambon. Ms. Cambon and seven other consultants will stay with the real estate consulting firm.

He would not say specifically why he is considering leaving the firm he co-founded in 1984 and helped build into a major pension consulting firm.

"Our business has grown substantially, and based on that growth, and the level of success and the visibility, it is not inappropriate to consider adjusting from time to time in a way that is better for our company and the clients the company serves," he said.

Ms. Cambon said, "As the marketplace has evolved, Paul has focused on certain things that are priority interest to him. I have been more involved with the focus of our core consulting business, and we just reached a decision that the things he wanted to pursue, and the things that I wanted to pursue, we could probably do best by not having him an owner of IPC," she said. She described the parting as "very amicable" and said IPC and Mr. Saylor might work together on some projects in the future.

Mr. Saylor denied rumors he felt he had too heavy a travel schedule and that he wanted to move to the more financially rewarding sell-side of the real estate investment management business.

Mr. Saylor appeared to leave open the possibility he might re-

See **Realty** *on page 29*

IRS targets underfunded plans

Action an attempt to protect PBGC

By Joel Chernoff

WASHINGTON — The Internal Revenue Service has announced a crackdown on underfunded pension plans.

Pension experts say the action ties into a larger effort to prevent more pension liabilities from being shifted to the Pension Benefit Guaranty Corp.

"Part of what's going on here is not knowing how deep the exposure is" at the PBGC, said Richard Reichler, senior partner at Ernst & Young, New York. The General Accounting Office recently found the PBGC's books are unauditable. The pension agency has a $2.5 billion deficit that threatens to reach $11.4 billion by the end of the decade.

The scrutiny on underfunded plans will take several forms. The IRS is instructing its agents to pay close attention to underfunded pension plans. In addition, it will examine plans that receive waivers of the minimum funding rules to ensure compliance with regulatory requirements.

Also, IRS Assistant Commissioner John Burke reportedly told an IRS advisory group the agency will conduct a study on pension plan underfunding by the end of September 1994. The study, which will cover both private and public plans, is in response to concerns that there will be inadequate funding to pay benefits during the next 15 to 20 years.

In particular, a survey by the PBGC revealed the top 50 underfunded pension plans had shortfalls totaling nearly $22 billion, he reportedly said.

In addition, Mr. Burke spotlighted several other areas for increased IRS enforcement efforts:

- Plans with large amounts of assets invested in employer securities will come under scrutiny for possible prohibited transaction violations.

Given the current economic environment, "a lot of people are thinking about contributing employer securities to their plan," said A. Richard Susko, partner, Cleary, Gottlieb, Steen & Hamilton, New York. This new focus by the IRS could deter companies from using this strategy.

Also, the IRS said it will focus

See **IRS** *on page 29*

Investors still seek Soviet deals

By Margaret Price

Despite concern about the future of the nascent Commonwealth of Independent States as it rises from the ruins of the former Soviet Union, some corporations and institutional investors still see alluring long-term investment opportunities in the region.

Digital Equipment Corp., Maynard, Mass., this month established a headquarters in Moscow, and the investment arm of Prudential Insurance Co. of America could make a commitment to Batterymarch Financial Management's Soviet Companies Fund as early as this month.

Kenneth E. MacWilliams, president of Prudential Equity Management Associates, Newark, N.J., said his firm is "seriously considering" investing an undisclosed amount of money in the Batterymarch fund if the still-unfinished documentation on the fund proves acceptable, and the investment wins board approval.

Beverly Hamilton, president of ARCO Investment Management Co., a unit of Atlantic Richfield Co., Los Angeles, said she remains interested in investing a small amount during the next year in the former U.S.S.R. "We are talking to Batterymarch" about its

AP WIDE WORLD PHOTOS

What role, if any, Mikhail Gorbachev will have in the Commonwealth of Independent States is one of the questions investors face.

See **Soviet** *on page 28*

Top 10 metropolitan areas

Vacancy rate	July '91	Employment growth	July '90-July '91	Years supply	July '91
Honolulu	4.2%	Omaha	4.2%	Honolulu	2.3%
Raleigh	12.4	Fresno	4.0	Raleigh	4.1
San Jose	13.0	Charleston	3.0	Seattle	4.5
Seattle	13.1	Tucson	2.8	Cincinnati	4.7
Sacramento	14.0	Wichita	2.5	Sacramento	4.9
San Francisco	14.3	Salt Lake City	2.5	Salt Lake City	4.9
Pittsburgh	14.7	Las Vegas	2.0	Columbus	5.1
Milwaukee	15.5	Denver	2.0	Austin	5.4
Portland, Ore.	15.7	Seattle	1.9	Kansas City, Mo.	5.6
Kansas City, Mo.	15.9	Columbia, S.C.	1.9	Oakland	5.7
U.S. total	19.5%	U.S. total	-0.7%	U.S. total	10.7%

Sources: Bureau of Labor Statistics, Washington, and Salomon Brothers Inc., New York

JOHN HALL

REAL ESTATE

Slow going seen for office leasing

■ Continuing layoffs and slow growth among white collar workers should mean only moderate growth in office leasing during the current decade, a Salomon Brothers Inc. report says.

As a result, the office vacancy rate — currently 19.5% — should be 18.5% over the next two years, the report said. The ideal vacancy rate is about 5%, consultants say.

In addition to overbuilding, some office markets also are suffering because of economic recession, including New York, Boston, Washington, Chicago and Los Angeles.

But because of slow demand for office space, even office markets with the best vacancy rates might experience declining rents and property values, the report said.

Office properties in the Northeast will remain among the most severely depressed. Conditions there are reminiscent of those of office markets in Oil Belt cities in 1987.

"At its worst at year-end 1987, the oil patch had 19 years of supply" of office space, the report said.

— Steve Hemmerick

FUTURES & OPTIONS

Contracts reach milestone mark

■ The Chicago Mercantile Exchange's Eurodollar futures contract surpassed the one-million open interest level, pushing the dollar value of outstanding contracts to more than $1 trillion.

Growth in open interest — the number of outstanding contracts at the end of a day's trading — is an indication of the volatility in the underlying Eurodollar market. The milestone was reached on Nov. 1, a month short of the contract's 10th anniversary.

Eurodollars, estimated at $3.5 trillion, are U.S. dollars on deposit in offshore banks. Used as a hedging instrument, the CME's Eurodollar contract allows banks and large corporations to "lock in" short-term interest rates. Firms with substantial interest rate exposure can use the futures contract to minimize risk.

About 90% of the large participants are considered "commercial-users," or firms doing business in the underlying cash market able to utilize futures contracts to manage price risk.

— Sabine Schramm

MONEY MANAGERS

New account carries added meaning

■ Reaching $100 million under management was important enough for Houston-based Smith, Graham & Co. Asset Managers, but it took on greater significance because the account that put them over that level didn't result from an emerging manager search.

The $140 million Kansas City (Mo.) Firefighters hired Smith, Graham, a minority-owned money manager, in November to manage a $16.3 million core fixed-income portfolio.

"The parameters of the search was to find a core fixed-income manager that doesn't take active duration bets or substantial duration bets," said Pat Gerrick, retirement administrator.

"We were chosen over some majority firms," said Gerald Smith, chief executive officer of Smith, Graham. "When you can get chosen over majority firms, people are really confident in you."

"One is very proud if achievement is made on experience and expertise," said Ladell Graham, president and chief investment officer.

Although confident in their abilities to compete with majority-owned firms, Messrs. Smith and Graham are not advocating an end to emerging manager searches or their exclusion from them.

"We realize that that is what got us where we are," said Mr. Graham. "We can't downplay it."

— Terry Williams

PAM FRANCIS

Investment managers Ladell Graham and Gerald Smith think they're starting to get recognized for their expertise and experience.

INVESTING

Investors hoping deal will shine

■ Three New York private market investors hope to bask in a recent equity stake.

Alan Patricof Associates Inc., Prudential Equity Investors Inc. and funds managed by Desai Capital Management, all based in New York, joined with management to purchase Sunglass Hut Corp., Miami, the world's largest sunglass retailer, for an undisclosed price.

Jack Chadsey, Sunglass Hut's president and chief executive officer, said the company will be able to expand rapidly as a result of the transaction.

The company's plans are to open 300 new stores during the next three years.

As a result of the investment, debt now represents less than 50% of the company's capitalization.

As part of the deal, Sanford Ziff, founder and former chairman, sold his remaining interest in the company.

In 1987, Mr. Ziff had sold a majority interest in the company to Desai Capital and another equity firm.

Mr. Chadsey and Jim Hauslein, chairman, are increasing their equity positions in the company through the transaction.

Alan Patricof's investment was through its APA Excelsior III venture capital fund. Among the fund's participants are a number of unidentified pension fund investors.

— Marlene Givant Star

This season's greetings wane

'Twas the week before Christmas
And both bosses and clerks,
Kept an eye on the mailbox
For those seasonal perks.

Though the markets were up,
The economy was grim.
Throughout the industry,
The mailings seemed slim.

Managers and consultants
Said: "Don't worry. Don't fear.
People just appear to be
More selective this year."

The end of the year usually brings a wave of holiday greetings — from books and fruit baskets to cards and confections. But this year's flow of yuletide tidings seems to have slowed to a trickle.

"By now, I usually would have received 10 pocket calendars. . . . I think I've received one," said an executive of a real estate investment management firm.

The decline appears to be more the byproduct of a heightened sense of propriety than the result of any fiscal belt tightenings.

"I don't think it's just recessionary," said a pension executive. "I think it's a sense of not wanting to appear garish."

The truly lavish gifts — with their not-so-subtle marketing messages — have been relegated to the realm of the Ghost of Christmas Past, replaced with practical items and toned-down promotions.

Still, some efforts are noteworthy for their creativity.

Frank Russell Co., the Tacoma, Wash., consulting firm, focuses on its Pacific Northwest location — past gifts have included canned salmon and ashes from the eruption of Mount St. Helens. Dallas-based Garrett Realty Advisors is sending cans of black-eyed peas, which, according to Southern lore, will bring good luck for a year if eaten on New Year's Day.

The item, it seems,
Is not judged for its worth,
But rather its skill
At spreading some mirth.
— Chuck Paustian

TED FUKA

INTERNATIONAL

Firms join forces in global venture

■ Henderson Administration Group PLC, London, and J & W Seligman & Co. Inc., New York, have formed Seligman Henderson & Co., New York, to offer international investment products to the U.S. institutional and retail markets.

Henderson will provide investment management and securities administration from London, and Seligman will provide marketing support and business administration. A committee of senior Henderson and Seligman personnel will oversee the joint venture. David Stein, managing director of Seligman, and Colin Day, managing director of Henderson International Ltd., London, will serve as co-chief executive officers.

The operation is expected to begin in mid-January following registration with the Securities and Exchange Commission. Seligman Henderson will be operated out of Seligman's New York offices.

According to Richard Garland, marketing director of Henderson International, the venture's first move will be to introduce an international mutual fund for Seligman's private clients.

"The reason we believe the new arrangement will work is because it's a coming together of equal partners," said Mr. Garland. He said Seligman has about $9 billion under management, and Henderson Administration, $13 billion to $14 billion.

— Margaret Price

INTERNATIONAL

International trailblazer hitches star to a new wagon

■ Karl Van Horn, a pioneer in international investment management and founder of Posthorn Global Asset Management Ltd., has formed a new firm, Arlington Capital Management, London.

Mr. Van Horn, chairman, said the new firm will take equity positions of sufficient size — from 10% to 30% — in smaller European industrial companies expected to benefit from the easing of borders in Europe.

He said the aim of the new firm is to provide a complementary investment opportunity to traditional Europe, Australia and Far East investments.

"We will invest 15 to 20 companies only in Western Europe, and we intend to have a board seat to help with strategy in addition to providing money," Mr. Van Horn said. "We are looking to raise 200 million ECU ($230 million to $240 million) for our first closed-end partnership." The partnership will have a life of eight years, he said.

Arlington will invest principally in manufacturing and construction companies — "where we think the action will be" — with market capitalizations of $50 million to $300 million, he said.

Arlington Capital Management directors Roland Bopp, left, Karl Van Horn, Brian Kimball and Michael Howell

Mr. Van Horn said Nomura Capital Management is sponsoring the fund in Japan, Rabobank Nederland is sponsoring it in Holland, and Hoare Govett is sponsoring it in the United Kingdom.

The other Arlington directors are Michael Howell, former general manager of GE Transportation Systems; Brian Kimball, former managing director and chief operating officer of Kidder Peabody's London operations; and Roland Bopp, former senior vice president of Mannesmann AG, Dusseldorf, the German industrial group.

— *Michael J. Clowes*

INVESTING

For stable growth, check financials

■ Investors seeking stable growth company stock should look outside the consumer non-cyclical sector, research from Chicago Investment Analytics Inc. shows.

Consumer non-cyclicals (such as foods and beverages, household products, drugs and medical products and services) traditionally have provided stable, predictable earnings growth. But, the firm said, non-cyclicals have become more like growth stocks because of their expanding profit margins.

So the firm tried to find other companies with stable growth characteristics, including a market capitalization of more than $200 million and five-year annual (both historical and future estimated) earnings per share growth of more than 10% but less than 20%.

Researchers zeroed in on the financial sector, which is as out of favor as consumer non-cyclicals are in favor.

The firm found 25 stable growth financial companies vs. 35 stable growth non-cyclicals. Plus, the financial companies — such as banks, savings and loans, insurers, securities firms and real estate companies — and consumer non-cyclicals have very similar growth and risk characteristics. Yet the 1991 forecasted earnings per share for stable growth non-cyclicals is 17.3 vs. 12.9 for stable growth financials.

Stock prices were highly disparate between financial and consumer non-cyclicals. "We believe the only 'explanation' for these differences is that investors like the non-cyclicals and dislike financials," Chicago Investment Analytics's research report said.

"Investors shouldn't fall into the trap of automatically equating stable growth with the consumer non-cyclical sector," the report said. "Better values among stable growth companies can be obtained outside the consumer non-cyclical sector."

— *Nancy K. Webman*

PROXIES

Voting system goes on-line

■ A paperless proxy voting system has been introduced by Fidelity Investments, Boston, and the Independent Election Corp. of America, New York.

General Electric Co.'s pension fund and Southeastern Asset Management are among the users of the product.

The product, called Proxy Edge, runs on a personal computer, consolidating on-line voting with record keeping and reporting. This allows customers to vote and update their records simultaneously. Using a computer and telephone line, customers vote electronic ballots instead of hard copy ballots in a confidential transaction with IECA.

"As we enter the 1990s, institutional shareholders are taking new measures to ensure that their proxy voting responsibilities are fulfilled. Expanding regulatory requirements are placing greater demands on institutions. . . . These requirements are driving up the cost of compliance," said the promotional literature.

Electronic ballots eliminate the need for express mail, phone calls and facsimiles; minimize data entry for record keeping; and facilitate changes and revoting, according to the vendors.

— *Marlene Givant Star*

REAL ESTATE

2 state funds in housing plan

■ Pension funds for the states of Connecticut and Pennsylvania are among the first two to participate with the Federal National Mortgage Association in its initiative to encourage affordable housing using the secondary mortgage market.

Connecticut recently committed $125 million to its State Treasurer's Affordable Residential — STAR — mortgage program.

The STAR plan, which was completed last month, lent an average of $127,000 to state residents, primarily first-time homebuyers, at 8½%. Most of the resulting mortgage portfolio will be swapped for a Fannie Mae security.

Pennsylvania completed a similar program in the fall of 1990.

Although the two state funds completed their programs before Fannie Mae Chairman James A. Johnson announced his "Home is Where the Needs Are" initiative, he cited both as one example of how the program would work.

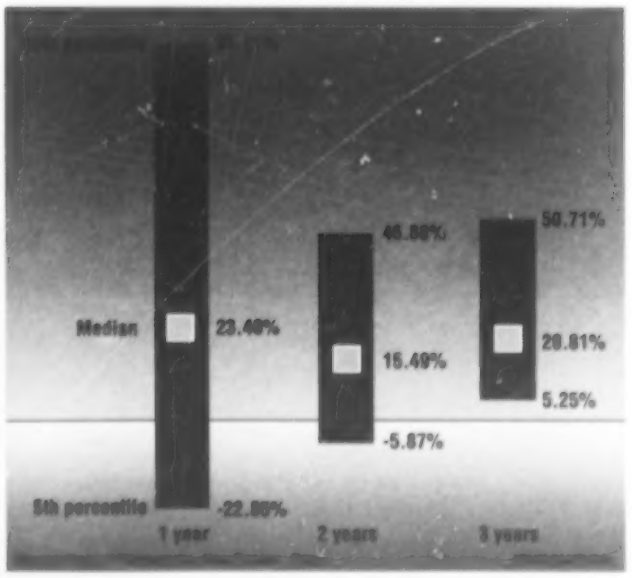
There are four models for the program, according to Mr. Johnson.

- Structure transactions for mortgage-backed securities using standard Fannie Mae securities from a particular state as the underlying loan.
- Structure transactions using Fannie Mae programs with features for the needs of lower-income families, including low-down-payment mortgages and non-traditional qualification methods.
- Conduct transactions with mortgage products that include features for special housing needs, such as housing for the elderly.
- Lead a joint effort with state treasurers, investment bankers and pension funds to build a real estate mortgage investment structure that will provide short-term and long-term investment opportunities to support affordable housing.

— *Terry Williams*

Tremont universe of limited partnerships

Returns for periods more than one year are annualized. All returns are before management expenses and performance fees.
(Periods ended Sept. 30)



COMPUTERS

Software puts it all together

■ Reuters, New York, has launched a new computer program — dubbed Decision 2000 — designed to help managers analyze fixed-income portfolios.

Key to the new system is that it can do single security analysis as well as complete portfolio analysis, said Robert J. Russel, vice president-marketing at Reuters.

"Most systems today either do single security or portfolio analysis," he said.

"There's nobody who puts everything in one place."

The system also includes live bond quotes provided by Reuters from about 800 different dealer contributors worldwide that can be integrated into the analysis programs, said Mr. Russel.

He said the user can choose which dealer's quotes the program will display, noting the importance of quick access to reliable bonds prices to institutional investors.

According to Mr. Russel, the combination of available live quotes with both single and multiple security analysis means the portfolio manager can thoroughly analyze a bond and then see how its purchase would affect his or her portfolio quickly, using only one computer program.

"This is very much an active management tool," he said.

— *Anne Schwimmer*

Decision 2000 is touted as doing both single security analysis and portfolio analysis.

CONSULTANTS

Changing of the guard at Segal

■ Robert D. Paul has been named chairman of Martin E. Segal Co., the employee benefits consulting firm. He is succeeding the firm's founder, Martin E. Segal, who will be chairman emeritus.

Mr. Segal founded the firm more than 50 years ago years ago. Mr. Paul joined it 41 years ago as an administrative assistant and group benefits analyst.

R. Paul

M. Segal

Mr. Segal came to the United States from Russia at age 5 and started work at age 11 to help support his family. He founded the Segal Co. in 1939 and served as its president and chief executive officer until 1967, when he became chairman. From 1967 to 1982, Mr. Segal also was a partner in the investment banking firm of Wertheim & Co.

Mr. Paul joined Martin E. Segal Co. after graduating from the University of Michigan in 1950. He was named president and chief executive in 1967 and vice chairman in 1977.

— *Michael J. Clowes*